

Deciphering All the Data

Reading Stock Tickers and Tables

by Virginia B. Morris, Editorial Director, Lightbulb Press

Every stock trade — and there are billions of them every day in U.S. markets — generates a change in the stock's price. While a single trade may make only a penny's difference one way or the other, the price can climb or drop substantially in a single day through a series of rapid-fire transactions. This activity is reported on electronic stock tickers throughout the trading day, and the results are synthesized in the stock pages of the next day's newspapers.

The information on electronic tickers is fairly cryptic: There's the stock symbol that identifies the corporation, the trading price and the volume, which is the number of shares in the trade. Each symbol is unique, and the number of letters identifies the market listing the stock. For example, symbols with one, two or three letters trade on the New York Stock Exchange (NYSE) or American Stock Exchange (AMEX), while those with four or five letters are listed on the Nasdaq National Market (NNM). Sometimes these symbols are closely identified with the companies they represent, as is the case with GE and IBM. But they're not always as obvious. For example, XOM is the symbol for Exxon Mobil.

The price is reported in dollars and cents, so that 15 means \$15. When 100 shares change hands — or what's known as a round lot — only the price appears. When the transaction involves round lots of 200 to 9,900 shares, an "s" (for separator) appears between the volume and the price. So, for example, 700s25 means that 700 shares traded at \$25 per share. Trades for fewer than 100 shares — called odd lots — use "ss" rather than "s."

Electronic tickers display trading information in two different formats. In one version, company trading symbols appear on the top line, with the price and volume below and to the right. In the other, all the information is on one line, with price and volume to the right. Some tickers use green arrows to indicate a price gain and red arrows to indicate a price drop — just in case you don't remember the last price.

Tables vs. Tickers

Stock tables, which are usually provided separately for each of the major exchanges, provide a composite picture of the previous trading day's activity. Corporations are listed in alphabetical order, followed by their trading symbols. To the left of each name, you'll find the highest and the lowest prices at which the stock traded over the past 52 weeks. The difference between the two prices

gives you a sense of the stock's volatility, which is a measure of how much and how frequently its price changes. In general, the more volatile a stock, the greater the potential gains as well as potential losses.

Several columns to the right of the name, you can find the price at which the stock traded at the end of the day. It will be labeled “last” or “close,” and by comparing that price with the 52-week high and low, you can see whether the stock is currently trading nearer

its recent top or bottom. In the last column, labeled “percent change” or “net change,” you’ll find the difference, expressed as a percentage, between the last price that’s reported here and the last price on the previous trading day. If the entire line is in boldface type, the change was 5 percent or more. That’s another indicator of volatility.

The stock tables also report the previous day's trading activity, in a column labeled either "sales 100s" or "volume 100s." When the information about a particular corporation is underlined, it means the trading volume in that particular stock was unusually large.

When It Pays You Dividends

Stock tables often provide additional information that can be helpful in tracking stock performance and in identifying stocks that may have certain characteristics you're looking for in a new investment. For example, there may be a column that reports the estimated annual dividend you receive if you own the stock, reported in dollars and cents per share. Dividends are typically paid quarterly, though a company may choose to pay on a different schedule.

TICKERS AND TABLES

Volume Trading symbol Trading price

NWC 15 OXY A CIRC 12.000 s 15 SVPX 15

Dividend Volume Net change

52 WEEKS	STOCK	SYM	YLD	PE	VOL	HI	LO	CLOSE	NET CHG
4963 3031	Deere	DE	.88	2.1	21 5545	4254	4190	4241	+ 082
1263 563	DelMonteFood	ULM	1.56	11.0	4 735	929	910	925	+ 001
1420 969	DePintoDGF	DGF	1.50	11.5	246	1380	1353	1350	+ 0
1350 1006	DePintoDGF	DGF	1.50	11.5	246	1380	1353	1350	+ 0
925 525	DePintoDGF	DGF	1.50	11.5	246	1380	1353	1350	+ 0
2085 1450	DePintoDGF	DGF	1.50	11.5	246	1380	1353	1350	+ 0
2089 1475	DePintoDGF	DGF	1.50	11.5	246	1380	1353	1350	+ 0

52 weeks Percentage yield Price/earnings ratio (P/E) Close

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Corporations aren't required to pay dividends, which are a portion of their earnings, but many do. In general, larger corporations may be more likely than smaller ones to share their wealth. And in recent years there's been greater emphasis on a company's dividends, partly because qualifying dividends — which is what most U.S. corporations pay — are taxed at your long-term capital gains rate rather than as ordinary income. Dividends are also important because when the market is more or less static, as it has been recently, dividends play a larger role in the total return you realize on your stock holdings.

More To Decipher

Stock tables also show the percentage yield, another measure of the dividend income the stock provides. It's expressed as a percentage of the stock's current price, and it's figured by dividing the annual dividend by the last closing price. If there's no dividend, of course, there's no per-

centage yield. In that case, you'll find an ellipsis (...) on the line where that information should go. Percentage yield is one way to compare the income you receive from your different dividend-paying stocks.

In recent years the average percentage yield has been 2 percent or less, though in some cases it may be significantly higher. Some corporations consistently pay higher dividends than others. Other corporations resist reducing dividends even if their stock prices are falling, perhaps to help blunt speculation they're having financial problems. So the percentage yield by itself won't tell you the whole story about how a company is doing.

Another piece of data in the stock table that may prove helpful is the price-earnings ratio, or P/E. It shows the relationship between a stock's current price and — in this case — the corporation's earnings over the past 12 months. That's called a "trail-

ing P/E" and is based on actual performance numbers. In other sources, you may sometimes come across a "forward P/E"; this might be calculated using two quarters of past performance and analyst estimates for the next two quarters, using analyst estimates for the coming year and so on.

You can use P/E to help evaluate whether a stock is overvalued or undervalued, based on a company's P/E history, the average P/E for stocks in the same sector or the P/E for the market as a whole. But that information alone isn't enough to determine whether the stock would be a wise investment.

Stock tickers and tables won't tell you everything you need to know about a stock, especially when you're deciding to buy or sell. But they're a good starting point and provide some key indicators you might want to pursue as you conduct your investment research. **B**

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